

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-336-C - ORDER NO. 1999-724  
OCTOBER 15, 1999

IN RE: Joint Application for Approval of a Transfer ) ORDER ✓  
of Control of Eclipse Telecommunications, ) APPROVING  
Inc. and IXC Communications Services, Inc. ) TRANSACTIONS  
to Cincinnati Bell, Inc. )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the joint Application of Cincinnati Bell Inc. (Cincinnati Bell), Eclipse Telecommunications, Inc. (Eclipse) and IXC Communications Services, Inc. (IXC-CSI) (collectively known as the Companies) for approval to transfer control of Eclipse and IXC-CSI to Cincinnati Bell. Cincinnati Bell and IXC Communications, Inc. (IXC), the ultimate corporate parent of Eclipse, and IXC-CSI have entered an agreement whereby IXC will be acquired through a merger transaction and will become a structurally separate wholly owned subsidiary of Cincinnati Bell. After the acquisition, Eclipse and IXC-CSI will continue to operate under their own existing authorizations, and will continue to provide telecommunications services to current customers under existing service arrangements.

Pursuant to the instructions of the Commission's Executive Director, the Companies published a Notice of Filing in newspapers of general circulation detailing the proposed transaction, and explaining how a member of the public could participate in the

proceedings. No Protests or Petitions to Intervene were received. The Companies therefore move for expedited review of the Application, and for this Commission to consider the Application in the context of the Commission's weekly meeting. We grant the Motion for expedited review. Accordingly, we hold that the Commission's weekly meeting of October 12, 1999 will constitute the "due hearing" contemplated by the relevant statute. We note that the Companies have filed the verified testimony of Jeffrey C. Smith, Senior Vice President, General Counsel and Secretary of Eclipse Telecommunications, Inc. to support the Application.

Smith describes the various transactions in the Application in his testimony. All three of the companies involved are certificated by this Commission. According to Smith, no customers will be adversely affected by the proposed merger. Eclipse, IXC-CSL, and Cincinnati Bell will continue to operate in South Carolina pursuant to their respective authorizations and service agreements with their respective customers.

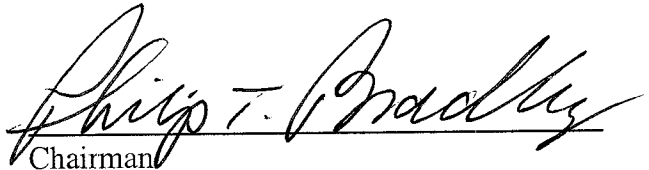
According to Smith's testimony, the proposed transaction will bring together Cincinnati Bell and IXC to create a strong company with a national presence whose operating subsidiaries will be very well positioned to provide customers with the most technologically advanced and competitive services in a rapidly evolving telecommunications industry. Combining the resources and expertise of CBI and IXC will result in a financially stronger parent company for IXC-CSI and Eclipse, according to Smith, enabling them to strengthen their competitive positions in the interexchange marketplace in South Carolina and elsewhere. In addition, the transaction will also combine the complementary management skills, background, and experience of CBI and

IXC, allowing Eclipse and IXC-CSI to capitalize and build on the diverse expertise of their new parent corporation. Thus, according to Smith, the proposed transaction will benefit the public interest by enhancing the ability of IXC-CSI and Eclipse to offer a full range of competitively priced services in the interexchange marketplace, thereby further invigorating competition in South Carolina. Smith further states that the proposed transaction will not result in reducing competition in the marketplace.

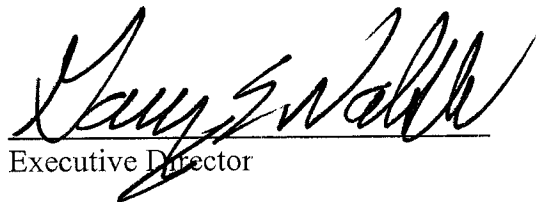
We agree with the above-stated testimony that the proposed transactions among the Companies are in the public interest, and agree with the Companies' reasoning. Accordingly, we approve the Application as filed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)